

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

RECEIVED

DEC 01 2005

PUBLIC SERVICE  
COMMISSION

(606) 886-2314

**Estill B. Branham**  
President

November 30, 2005

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, KY 40602

Case 2005-00487

Dear Ms. O'Donnell:

Enclosed is the Gas Cost Recovery for January 1, 2006 thru  
March 31, 2006.

If you have any questions, please call at the above number.

Sincerely,

  
Kimberly Crisp

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Quiver Road Gas

QUARTERLY REPORT OF GAS COST  
RECOVERY RATE CALCULATION

Date Filed:

November 30, 2005

Date Rates to be Effective:

January 1, 2006

Reporting Period is Calendar Quarter Ended:

September 30, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	13.4048
+ Refund Adjustment (RA)	\$/Mcf	(1.3621)
+ Actual Adjustment (AA)	\$/Mcf	.0257
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)	\$/Mcf	12.0684

GCR to be effective for service rendered from January to March.

<b>A.</b>	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	1407581
	+ Sales for the 12 months ended <u>September</u>	Mcf	105006
	= Expected Gas Cost (EGC)	\$/Mcf	13.4048
<b>B.</b>	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf	
<b>C.</b>	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	(.4726)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(.1893)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(.895)
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	.1955
	= Actual Adjustment (AA)	\$/Mcf	(1.3621)
<b>D.</b>	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	.0118
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	(.011)
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0066
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	.0183
	= Balance Adjustment (BA)	\$/Mcf	.0257

SCHEDULE II  
EXPECTED GAS COST

Actual\* Mcf Purchases for 12 months ended Sept 30, 2005

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Constellation			52330	16.2408	849881
Alle-Kaas			4122	3.10	12778
Equitable			10400	16.5195	171803
CBS/Gw			18211	3.22	58639
Columbia NR			16749	18.7758	314776
Totals			<u>101812</u>		<u>1407577</u>

Line loss for 12 months ended Sept 30, 05 is \_\_\_\_\_ % based on purchases of 101812 Mcf and sales of 105006 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	1407577
+ Mcf Purchases (4)	Mcf	101812
= Average Expected Cost Per Mcf Purchased	\$/Mcf	13.8253
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	101812
= Total Expected Gas Cost (to Schedule IA.)	\$	1407581

\*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.  
\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE IV  
ACTUAL ADJUSTMENT

For the 3 month period ended Sept 30, 2005

<u>Particulars</u>	<u>Unit</u>	Month 1 (July)	Month 2 (Aug)	Month 3 (Sept)
Total Supply Volumes Purchased	Mcf	3747	3440	3567
Total Cost of Volumes Purchased	\$	11220	12178	13296
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3865	7306	3558
= Unit Cost of Gas	\$/Mcf	2.9030	3.6836	3.7369
- EGC in effect for month	\$/Mcf	8.0451	8.0451	8.0451
= Difference [(Over-)/Under-Recovery]	\$/Mcf	(5.1421)	(4.3615)	(4.3082)
x Actual sales during month	Mcf	3865	7306	3558
= Monthly cost difference	\$	(19874)	(14419)	(15329)

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	(49622)
÷ Sales for 12 months ended <u>Sept 30, 05</u>	Mcf	105006
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	(.4726)

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended Sept 30, 2005

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	(26274)
Less: Dollar amount resulting from the AA of <u>(.2620)</u> \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of <u>105006</u> Mcf during the 12-month period the AA was in effect.	\$	(27512)
Equals: Balance Adjustment for the AA.	\$	<u>1238</u>
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA.	\$	
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	
Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>1238</u>
+ Sales for 12 months ended <u>Sept 30, 2005</u>	Mcf	<u>105006</u>
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u>.0118</u>

# Auxier Road Gas Company, Inc.

Box 785  
Prestonsburg, Kentucky 41653

Estill B. Branham  
President

(606) 886-2314

	<u>Base Rate</u>	<u>Gas Cost</u> <u>Per</u>	<u>TOTAL</u>
first MCF (minimum Bill)	5.11	12.0684	17.1784
all other first MCF	4.2599	12.0684	16.3283





November 30, 2005

Auxier Road Gas Company  
Attention: Estill Branham  
Post Office Box 785  
Prestonburg, KY 41653

Mr. Branham,

Equitable welcomes the opportunity to continue to fulfill all of your needs regarding natural gas supplies. For the time period of January to March 2006 the price is \$13.63/DTH. This price is for indication purpose only due to constant fluctuation of the NYMEX.

If you have any questions, please call me at 412-395-2627. Thank you again.

Regards,

A handwritten signature in black ink, appearing to read "Brian C. Shafranek".

Brian C. Shafranek  
Manager of Origination

**\$13.63 X BTU FACTOR 1.2120 = \$16.5195**

# Constellation NewEnergy - Gas Division

9960 Corporate Campus Dr., Suite 2000, Louisville, KY 40223  
 Phone: (502) 426-4500 Fax: (502) 426-8800

Estill Branham  
 606-886-2314  
 606/889-9995

## AUXIER ROAD GAS COMPANY Estimated Citygate Prices if Bought Monthly

Month	(A) NYMEX 09/01/05	(B) Basis	(C) TCO Fuel	(D) TCO Transportation	(E) Auxier Road Gas Citygate (\$/Dth) (A+B)/(C+D)	(F) Estimated Consumption Dth <small>(Used 2005 Consumption)</small>	(G) Total Cost Monthly (E*F)
Jan-06	\$12.2800	\$0.6200	0.97993	\$0.2600	\$13.4242	14,679	\$197,053.91
Feb-06	\$12.3200	\$0.6200	0.97993	\$0.2600	\$13.4650	10,861	\$146,243.63
Mar-06	\$12.1400	\$0.6200	0.97993	\$0.2600	\$13.2813	8,752	\$116,238.27
						<b>34,292</b>	<b>\$459,535.82</b>

**WACOG = \$13.40**

\$13.40x BTU FACTOR 1.2120 = \$16.2408per MCF